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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 3, 1998

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

CASE NO. PUE980814

Ex Parte: In the matter of  
considering an electricity  
retail access pilot program—  
American Electric Power-Virginia

ORDER ESTABLISHING PROCEDURAL SCHEDULE

On March 20, 1998, the State Corporation Commission ("Commission") entered an Order establishing an investigation requiring various parties to perform activities and provide information to assist the Commission in moving forward in the evolving world of electric utility restructuring. Among other things, this Order required Virginia Electric and Power Company ("Virginia Power") and American Electric Power-Virginia ("AEP-VA") each to begin work toward implementing at least one retail access pilot program and study designed to address, at a minimum, the issues and concerns raised on pages 14 through 15 of the Staff's "Draft Working Model for Restructuring the Electric Utility Industry in Virginia," dated November 7, 1997. The Order mandated that Virginia Power and AEP-VA hold workshops with interested stakeholders to solicit input regarding the

proper structure and characteristics of such pilot programs and to file the details, objectives and characteristics of such proposed pilot programs on or before August 1, 1998. The Order noted that any necessary public hearings would be scheduled after this date to consider such proposals.

By Commission Order dated July 16, 1998, the time for filing the details, objectives and characteristics of the proposed pilot programs was extended to November 2, 1998, and Virginia Power and AEP-VA filed their proposed pilot programs ("Proposals") accordingly. The Proposals discuss, among other things, the pilot programs' objectives, customer participation parameters, pricing structures, geographical scope, consumer and supplier education issues, supplier participation guidelines, metering and billing issues, pilot program cost recovery, and utility tariffs, terms and conditions.

Additionally, in its Proposal, AEP-VA requested the Commission to authorize it to recover pilot program costs through rates over the two-year period immediately following the end of the pilot program and further suggested that the Commission provide for a series of technical conferences to be held to address pilot program technical and implementation issues and to propose standardized pilot program terminology and supplier certification procedures.

By separate order issued today in Case No. PUE980812, the Commission is establishing a proceeding to adopt interim rules to govern issues common in both natural gas and electricity retail access pilot programs, specifically, certification, codes of conduct, and standards of conduct governing relationships among entities participating in such programs. All other retail access pilot program issues will be dealt with in individual pilot program proceedings.

Upon consideration whereof, the Commission is of the opinion and finds that a proceeding should be established to address all outstanding issues relating to AEP-VA's Proposal that are not being considered in Case No. PUE980812. Among other things, this proceeding will address issues such as the size of the pilot program, rate unbundling, and the effects of the pilot program on tariffs. Accordingly,

IT IS ORDERED THAT:

- (1) This case be docketed and assigned Case No. PUE980814.
- (2) AEP-VA's Customer Choice Pilot Program and accompanying testimony filed on November 2, 1998, in Case No. PUE980138 be deemed filed in this proceeding as of the date of this Order.
- (3) As provided by § 12.1-31 of the Code of Virginia and Rule 7:1 of the Commission's Rules of Practice and Procedure ("the Rules"), 5 VAC 5-10-520, a Hearing Examiner be assigned to

conduct further proceedings on behalf of the Commission and to file a final report with a transcript of this proceeding.

(4) A public hearing on the above named issues be held at 10:00 a.m. on June 22, 1999, in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia.

(5) On or before January 29, 1999, all notices of protest, as required by Rule 5:16(a) of the Rules, 5 VAC 5-10-420(B), shall be filed with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and a copy simultaneously served on counsel to AEP-VA, Anthony J. Gambardella, Jr., Esquire, Woods, Rogers & Hazlegrove, 823 East Main Street, Suite 1200, Richmond, Virginia 23219, and Commission Staff.

(6) Within five (5) days of receipt of a notice of protest, AEP-VA shall serve upon the filer a copy of this Order and a copy of its Proposal, along with any direct testimony and exhibits, unless copies of these materials already have been provided to the filer.

(7) On or before May 3, 1999, each protestant shall file with the Clerk an original and fifteen (15) copies of its protest, as required by Rule 5:16(b), 5 VAC 5-10-420(C), and an original and fifteen (15) copies of the testimony and exhibits it intends to offer in support of its protest, and shall serve

one (1) copy of the protest, testimony, and exhibits on counsel to AEP-VA at the above listed address and on all other parties and Commission Staff.

(8) The Commission Staff shall investigate these issues and, on or before June 4, 1999, shall file with the Clerk an original and fifteen (15) copies of the testimony and exhibits that it intends to offer in response to testimony and exhibits previously filed and shall serve one (1) copy on all parties.

(9) On or before June 11, 1999, AEP-VA may file with the Clerk an original and fifteen (15) copies of any rebuttal testimony and exhibits that it intends to offer in response to testimony and exhibits previously filed and shall serve one (1) copy on all parties.

(10) Rule 6:4, Interrogatories to Parties or Requests for Production of Documents and Things, 5 VAC 5-10-480, shall be modified for this proceeding to the extent that answers and objections shall be served within ten (10) days after receipt of interrogatories.

(11) AEP-VA shall promptly make available for public inspection, at its business offices during regular hours, copies of this Order, its Proposal, and any prefiled direct testimony and exhibits accompanying the Proposal.

(12) On or before December 22, 1998, AEP-VA shall publish the following notice as classified advertising in newspapers of general circulation throughout the Commonwealth of Virginia.

NOTICE TO THE PUBLIC OF AMERICAN ELECTRIC  
POWER-VIRGINIA'S PROPOSED ELECTRICITY  
RETAIL ACCESS PILOT PROGRAM,  
CASE NO. PUE980814

On November 2, 1998, American Electric Power-Virginia ("AEP-VA") filed with the State Corporation Commission ("Commission") a report containing the details, objectives and characteristics of its proposed electricity retail access pilot program ("Proposal"). In its Proposal, AEP-VA discusses, among other things, the pilot program's objectives, customer participation parameters, pricing structure, geographical scope, consumer and supplier education issues, supplier participation guidelines, metering and billing issues, pilot program cost recovery, and utility tariffs, terms and conditions.

The Commission has scheduled a public hearing on June 22, 1999, before a Hearing Examiner in the Commission's second floor courtroom, located in the Tyler Building, 1300 East Main Street, Richmond, Virginia, to hear evidence relevant to AEP-VA's proposed pilot program. A copy of AEP-VA's Proposal is available for public inspection during regular business hours at all AEP-VA offices where customer bills may be paid, and from 8:15 a.m. to 5:00 p.m., Monday through Friday, at the State Corporation Commission, Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia.

Any person desiring to comment in writing on AEP-VA's Proposal may do so by directing such comments on or before May 3, 1999, to the Clerk of the State Corporation

Commission, c/o Document Control Center,  
P.O. Box 2118, Richmond, Virginia 23218.  
Those written comments must refer to Case  
No. PUE980814. Any person desiring to make  
a statement at the public hearing concerning  
AEP-VA's Proposal need only appear in the  
Commission's second floor courtroom at 9:45  
a.m. on the day of the hearing and identify  
himself or herself as a public witness to  
the Commission's Bailiff.

On or before January 29, 1999, persons  
desiring to participate as Protestants, as  
defined in Rule 4:6 of the Commission's  
Rules of Practice and Procedure ("Rule" or  
"Rules"), 5 VAC 5-10-180, and to present  
evidence and cross-examine witnesses shall  
file an original and fifteen (15) copies of  
a Notice of Protest, as provided in  
Rule 5:16(a), 5 VAC 5-10-420(B), with the  
Clerk of the Commission at the address set  
forth below and shall serve a copy of the  
same upon AEP-VA and all other parties of  
record. Service upon AEP-VA shall be  
directed to its counsel as follows:  
Anthony J. Gambardella, Jr., Esquire, Woods,  
Rogers & Hazlegrove, 823 East Main Street,  
Suite 1200, Richmond, Virginia 23219.

Any person who expects to submit  
evidence, cross-examine witnesses, or  
otherwise participate in the proceeding as a  
Protestant pursuant to Rule 4:6, shall file  
on or before May 3, 1999, an original and  
fifteen (15) copies of a Protest conforming  
to Rule 5:16(b), 5 VAC 5-10-420(C), as well  
as the prepared testimony and exhibits the  
Protestant plans to offer at the June 22,  
1999, hearing, with the Clerk of the State  
Corporation Commission, c/o Document Control  
Center, P.O. Box 2118, Richmond, Virginia  
23218, referring to Case No. PUE980814, and  
shall simultaneously send a copy thereof to  
counsel for AEP-VA at the address set out  
herein, and to any other Protestant. Any  
corporate entity or other entity described  
in Rule 4:8, 5 VAC 5-10-200, that wishes to

submit evidence, cross-examine witnesses or otherwise participate as a Protestant must be represented by legal counsel in accordance with the requirements of Rule 4:8 of the Commission's Rules of Practice and Procedure.

Protestants should obtain a copy of the Commission's December 3, 1998, Order for full details of the procedural schedule established for this proceeding and for instructions regarding discovery and interrogatories. Copies of this Order may be obtained from the Clerk of the Commission at the address listed below.

All written communications to the Commission concerning the Company's application should be directed to the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and should refer to Case No. PUE980814.

Individuals with disabilities who require an accommodation to participate in the hearing may contact the Commission at 1-800-552-7945 (voice) or 1-804-371-9026 (TDD). Individuals requesting accommodations should contact the Commission at either of these numbers at least seven (7) days before the scheduled hearing date.

#### AMERICAN ELECTRIC POWER-VIRGINIA

(13) On or before December 22, 1998, AEP-VA shall serve a copy of this Order on the Chairman of the Board of Supervisors of any county and upon the Mayor or Manager of any county, city, or town (or equivalent officials in counties, towns, and cities having alternate forms of government) within AEP-VA's service area affected by the proposed pilot program. Service shall be



made by first-class mail or delivery to the customary place of business or residence of the person served.

(14) On or before January 29, 1999, AEP-VA shall provide the Commission with proof of newspaper publication and proof of notice required by Ordering Paragraphs (12) and (13).